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GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
GRAMBLING, LOUISIANA

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
As of And for The Year Ended December 31, 2003**

Under provisions of state law, this report is a public document. A copy of the **BY** report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/25/04

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**GRAMBLING UNIVERSITY NATIONAL
ALUMNI ASSOCIATION, INCORPORATED
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
As of And for The Year Ended December 31, 2003**

**GRAMBLING UNIVERSITY NATIONAL
ALUMNI ASSOCIATION, INCORPORATED
Grambling, Louisiana**

**Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 2003**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Grambling University National Alumni Association, Incorporated
Grambling, Louisiana

I have audited the accompanying statement of financial position of Grambling University National Alumni Association, Incorporated (a nonprofit organization) as of December 31, 2003, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grambling University National Alumni Association, Incorporated as of December 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Rosie D. Harper
Certified Public Accountant
Monroe, Louisiana
June 19, 2004

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Financial Position
December 31, 2003

Assets

Cash and Cash Equivalents	\$ 241,379
Accounts Receivable	604,035
Property and Equipment, Net (Note B)	159,595
Total Assets	<u>1,005,009</u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	445,117
Total Liabilities	<u>445,117</u>

Net Assets:

Unrestricted	(90,213)
Temporarily Restricted	260,434
Permanently Restricted	389,671
Total Net Assets	<u>559,892</u>
Total Liabilities and Net Assets	<u>\$ 1,005,009</u>

See Accompanying Auditors' Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Statement B

Statement of Activities and Changes in Net Assets

For the Year Ended
December 31, 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support				
Membership Dues	\$ 30,520	\$ -	\$ 22,535	\$ 53,055
Chapter Assessments	1,470	-	-	1,470
National Meeting	21,698	-	-	21,698
Fundraisers	71,030	18,739	160	89,929
Bayou Classic Revenue	-	817,800	-	817,800
Alumni House Contributions	-	-	2,800	2,800
Scholarship Contributions	-	11,295	-	11,295
Other Support	11,803	-	-	11,803
Total Support	<u>136,521</u>	<u>847,834</u>	<u>25,495</u>	<u>1,009,850</u>
Other Revenue				
Interest Income	1,663	1,505	35	3,203
Total Other Revenue	<u>1,663</u>	<u>1,505</u>	<u>35</u>	<u>3,203</u>
Net Assets Released from Restrictions				
Reclassification of Net Assets	-	-	-	-
Restrictions Satisfied by Payments	852,943	(847,540)	(5,403)	-
Total Net Assets Released from Restrictions	<u>852,943</u>	<u>(847,540)</u>	<u>(5,403)</u>	<u>-</u>
Total Support, Other Revenue and Reclassifications	<u>991,127</u>	<u>1,799</u>	<u>20,127</u>	<u>1,013,053</u>
Expenses				
General and Administrative Expenses	60,531	-	-	60,531
Fundraiser Expenses	68,445	-	-	68,445
Program Expense	856,310	-	-	856,310
Total Expenses	<u>985,286</u>	<u>-</u>	<u>-</u>	<u>985,286</u>
Change in Net Assets	<u>5,841</u>	<u>1,799</u>	<u>20,127</u>	<u>27,767</u>
Net Assets as of Beginning of Year	<u>(96,054)</u>	<u>276,097</u>	<u>369,544</u>	<u>549,587</u>
Other Changes in Net Assets				
Prior Period Adjustment	-	(17,462)	-	(17,462)
Total Other Changes in Net Assets	<u>-</u>	<u>(17,462)</u>	<u>-</u>	<u>(17,462)</u>
Net Assets as of End of Year	<u>\$ (90,213)</u>	<u>\$ 260,434</u>	<u>\$ 389,671</u>	<u>\$ 559,892</u>

See Accompanying Auditors' Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Statement of Cash Flows

For the Year Ended

December 31, 2003

Operating Activities

Change in Net Assets	\$ 27,767
<i>Adjustments to Reconcile Change in Net Assets to Net</i>	
<i>Cash Provided by Operating Activities:</i>	
Increase in Accounts Receivable	(325,462)
Increase in Accounts Payable/Accrued Liabilities	284,493
Provision for Depreciation	5,403
Prior Period Adjustment	(17,462)
Total Adjustments	<u>(53,028)</u>
Net Cash Used by Operating Activities	<u><u>(25,261)</u></u>

Net Decrease in Cash (25,261)

Cash and Cash Equivalents as of Beginning of Year	266,640
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 241,379</u></u>

See Accompanying Auditors' Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Functional Expenses
For the Year Ended
December 31, 2003

	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Program</u>	<u>Total</u>
General and Administrative				
Accounting/Auditing	\$ -	\$ -	\$ -	\$ -
Advertising	7,450	-	-	7,450
Allocations	-	-	319,615	319,615
Bank Service Charges	512	-	-	512
Bayou Classic Expense	-	47,332	-	47,332
Coaches	-	-	6,850	6,850
Corporate Reception	-	-	13,400	13,400
Depreciation	5,403	-	-	5,403
Friday	-	-	40,931	40,931
Game	-	-	6,215	6,215
Gifts, Flowers & Courtesies	670	-	-	670
Homecoming/Alumni Day	-	-	3,909	3,909
Insurance	1,707	-	-	1,707
Job Fair	-	-	33,201	33,201
Membership Pins	-	3,219	-	3,219
Maintenance	935	-	-	935
Miscellaneous	4,453	-	-	4,453
National Meetings	-	-	19,335	19,335
Office Expense	3,699	-	-	3,699
Operating	-	-	283,049	283,049
Other Program Expenses	-	-	23,628	23,628
Postage and Delivery	4,310	-	-	4,310
Press Conference	-	-	1,627	1,627
Printing	791	-	-	791
Professional Fees	16,207	-	-	16,207
Public Relations	-	-	24,224	24,224
Raffle Expense	-	17,413	-	17,413
Scholarship Awards	-	-	68,665	68,665
Storage	370	-	-	370
Subscriptions	150	-	-	150
Telephone	2,971	-	-	2,971
Travel for Officers	8,966	-	-	8,966
Travel-Office Staff	1,586	-	-	1,586
Utilities	351	-	-	351
Vendors	-	-	11,661	11,661
Visions Expenses	-	481	-	481
Total Functional Expenses	<u>\$ 60,531</u>	<u>\$ 68,445</u>	<u>\$ 856,310</u>	<u>\$ 985,286</u>

See Accompanying Auditors' Report and Notes to Financial Statements.

Grambling University National Alumni Association, Incorporated
Grambling, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2003

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Grambling University National Alumni Association, Incorporated is a private non-profit Organization domiciled in the State of Louisiana at Grambling, Louisiana. The State of Louisiana chartered the Organization on October 13, 1967. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code.

The Organization goals and objectives are:

- To facilitate better communication and a closer relationship between Grambling State University, its graduates and friends.
- To cooperate with the University's Administration, Field Services, and other Alumni organizations in the promotion of worthwhile activities for the Grambling State University faculty, staff, alumni, students, prospective students and friends.
- To encourage the highest degree of professional ethics and scholarship in the alumni and students.
- To stimulate school loyalty, devotion, and responsibility.
- To further encourage professional enthusiasm, initiative, and growth.
- To provide a National Organization to channel information to support local, state, regional and national programs.
- To provide suitable headquarters, offices and facilities to direct Alumni Affairs and to channel information to support local, state, regional and national programs.
- To study any propositions concerning the mutual relationship of the University and the various allied organizations to the end that both will benefit from their close Organization.
- To legislate through bylaws or by resolution upon any subject of general concern to the members of this organization.
- To promote a "Greater Grambling" through the work of the Alumni Organization.
- To secure financial assistance for Grambling State University through the following methods: Cash, Securities, Requests, Life-Income, Real Estate, Insurance, Specified Property, Annual Dues, and Annual Fund Drives.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

- To establish Alumni chapters throughout the nation to assist Grambling State University in achieving the above goals, as well as, educational excellence, financial security, humanitarian ideals, athletic and social prominence.
- Membership in the Organization is composed of University graduates and attendees, as well as, faculty and staff members. The Board of Directors of the Organization consists of seven (7) members. The members serve without compensation.

Basis of Presentation

For the period ending December 31, 2003, the Organization followed provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

Public Support and Revenue

Revenue and public support consists mainly of fundraising, and contributions. In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by time by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. The Organization had no cash equivalents during the audit period. On December 31, 2003, the Organization had cash totaling \$ 241,379 as follows:

Unrestricted	\$	17,127
Temporarily Restricted		82,494
Permanently Restricted		141,758
Total	\$	<u>241,379</u>

Income Taxes

The Grambling University National Alumni Association, Incorporated is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	30 years
Furniture and equipment	7 years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B. PROPERTY AND EQUIPMENT

For the period ended December 31, 2003, the Organization had net property equipment totaling \$159,595. The following schedule reflects the balances in property and equipment at December 31, 2003:

	1/1/2003	Additions	Deletions	12/31/2003
Depreciable Assets				
Furniture & Fixtures	\$ 23,965	\$ -	\$ -	\$ 23,965
Equipment	8,024	-	-	8,024
Building	142,983	-	-	142,983
Total Depreciable Assets	174,972	-	-	174,972
Less Accumulated Depreciation				
Depreciation	(59,384)	(5,403)	-	(64,787)
Total Accumuated Depreciation	(59,384)	(5,403)	-	(64,787)
Net Depreciable Assets	115,588	-	-	110,185
Other Property & Equipment				
Land	49,410	-	-	49,410
Net Property & Equipment	\$ 164,998	\$ -	\$ -	\$ 159,595

NOTE C. ACCRUED LIABILITIES

At December 31, 2003, the Organization had accrued liabilities totaling \$445,117 consisting of the following:

Sundry Payables	\$ 445,117
Total Liabilities	<u>\$ 445,117</u>

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE D. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE E. PRIOR PERIOD ADJUSTMENT

For the period ending December 31, 2002, Bayou Classic revenue was overstated by \$17,462 for reimbursements due from Southern University Foundation.